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FISCAL IMPACT STATEMENT

LS 6586
BILL NUMBER: HB 1327

NOTE PREPARED: Dec 20, 2006
BILL AMENDED:

SUBJECT: Tax Exemption for Antique Motor Vehicles.

FIRST AUTHOR: Rep. Saunders
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
FEDERAL

IMPACT: State & Local

LOCAL IMPACT	CY 2007	CY 2008	CY 2009
Local Revenues		(29,000)	(29,000)
Local Expenditures			
Net Increase (Decrease)		(29,000)	(29,000)

Summary of Legislation: This bill exempts antique motor vehicles from the Motor Vehicle Excise Surtax and the Wheel Tax.

Effective Date: January 1, 2008.

Explanation of State Expenditures: Initially, the Bureau of Motor Vehicles (BMV) would incur minimal administrative costs related to exemption of antique vehicles from the Surtax/Wheel Tax. The fund affected is the Motor Vehicle Highway Account (MVHA), which supports the BMV.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under this proposal, the Motor Vehicle Excise Surtax and Wheel Tax would not apply to vehicles registered as antique vehicles. Motor vehicles must be at least 25 years old to

qualify as an antique. In CY 2005, 37 counties imposed the Surtax/Wheel Tax and generated \$5.0 M in Wheel Tax and \$48.7 M in Surtax.

There were 8,151 antique vehicles registered in Indiana in 2004, the last year for which registration information is available. Of those, 3,837 were registered in the 37 Surtax/Wheel Tax adopting counties. Assuming that the average Surtax/Wheel Tax was \$7.50 for antique vehicles, it is estimated that these vehicles generated about \$29,000 in surtax in 2005. This is the estimated revenue that would be lost beginning in CY 2008 under this provision. Wheel Tax and Surtax are distributed to the county unit and each city and town in an adopting county. The revenue is used for road and street construction and maintenance.

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected:

Information Sources: *Annual 2004 Registration Statistics, Report #RBP99*, Bureau of Motor Vehicles, 2004.

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